MARLLOFAX 24 Approved For Release, 1999/09/08: CIA-RDP82-00457R000400280006-519461 CONFIDENTIAL COMPLEMENTAL CENTRAL INTELLIGENCE GROUP "LIBRARY COL INTELLIGENCE REPORT DATE: COUNTRY China 25X1A INFO Political Anformation: Communist Activities, SUBJECT 13 March 1947 DIST. Hongkong-Canton Area 1 PAGES 25X1A Supplement 25X1X **ORIGIN** 20 January 1947 25X1X The South China Communists have established a South China Mobilization Council (美) 前 多 多 章 会) in Hongkong. They intend to form two "Democratic Joint Armies" to be under the command of General FANG Fang (方 方) and TSENG Sheng (音 生). Some of the arms will be procured from the supplies recently brought in by Soviet ships. 25X1X 22 January 1947 2. TSENG Sheng and some of the Communists who came from Shantung have allied them-selves with the Overseas Youth Organization (海 片有子行動) (previously reported) Their ordinance men, YU Sen (京) and PRNG Ching (京) are reported) Their ordnance men, IU Sen (AT AL) and FENG Ching () are responsible for manufacturing the hand granades and explosives which the Organization distributes to various gangs to use for extortion under threat of bombing. (This extortion racket previously reported.) 25X1X 9 February 1947 3. Communist leader CHENG Shac-kang () and a few followers were seen in a tea house in the northern section of Hongkong on 9 February 1947. There are many Communist troops near Canton. Busses and trucks leaving the city have to pay as much as CNC \$200,000 protection fee per trip to these Communists to avoid attack. Canton Nationalist authorities are aware of the situation. Those persons carrying arms without permits are arrested and shot without questioning. <u> 25X1X</u> Twis document contains information affecting Document No. the national defense of the United States within Class CHANGE the seeming of the Espionage not 50, 5,000, 37 and 32, us amended. Its transmission or the re-DECLM velstion of its contents in any mission to an Class. manthorized person is prohibited by la we CONFIDERIAL R CG. Auth: DT) A 6 APR 1978 Ву: CLASSIFICATION CONTIDENTAL This document is hereby regraded towarning NOTICE: THIS DISTRIBUTION LISTING MUST BE letter of 16 October 1375 from the KCISED BEFORE PUBLIC RELEASE OF THIS DOCUMENT. Archivist of the United States.

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